DEPARTMENT OF PUBLIC SOCIAL SERVICES

WELFARE FRAUD PREVENTION & INVESTIGATIONS SECTION

Number:	Date:
03-25	10/27/2003

ADMINISTRATIVE MEMORANDUM

SUBJECT: PROCESSING NON-PRODUCTIVE IEVS (EARNINGS) FRAUD REFERRALS ON ACTIVE AND INACTIVE CalWORKs, GENERAL RELIEF AND FOOD STAMP CASES

REFERENCE: DPSS ADMINISTRATIVE DIRECTIVE 4426, 03/24/2003
DPSS ADMINISTRATIVE DIRECTIVE 4006, 02/23/2000
BAP ADMINISTRATIVE MEMORANDUM 96-49, 07/10/96

Cancels: AM 01-07, 10/19/2001   FILE: WFP&I HANDBOOK

SPECIAL ATTENTION: [X] Field Units

I.   PURPOSE/BACKGROUND

This Administrative Memorandum releases procedures for streamlining the investigation of non-productive referrals on CalWORKs, CalWORKs/Food Stamp, General Relief (GR) and Non-Assistance Food Stamp (NAFS) cases initiated as a result of a discrepancy on an Income and Eligibility Verification System (IEVS) abstract.

The California Department of Social Services (CDSS) focuses on identifying persons who failed to report or misreported their actual earnings. The Integrated Fraud Detection System (IFDS) produces an IEVS abstract for cases with a **discrepancy (the difference between what the participant reported and the earnings reported by the California Employment Development Department {EDD})** for CalWORKs, CalWORKs/FS or Refugee programs and NAFS, GR/FS and CAPI/FS programs.

II.   POLICY

A.   These instructions are effective immediately upon receipt of this Administrative Memorandum for IEVS referrals for **quarters prior to and including the abstract for the third quarter of 2002 (July 2002 through September 2002).**

Referrals for CalWORKs, CalWORKs/FS, GR/FS and NAFS cases with abstracts for the **quarter ending December 2002 and forward** are to be processed using **existing** procedures.

In addition, abstracts meeting the following criteria are also to be processed using existing procedures:

- abstracts with earnings of more than **$1500** (**$1800** for GR);
- abstracts with more than one employer; or
- abstracts indicating no earnings were reported.

B.   Abstracts on cases with reported earnings of **$1500** or less on CalWORKs, CalWORKs/FS, and NAFS cases or **$1800 or less for GR/FS** have a potential zero (0) overpayment or overissuance, after disregards and other allowable expenses are deducted.

Example: Earnings of $3600 for the quarter, averaged over 3 months results in the following:

Monthly earnings	$1200.00
Participant's exemption	- 225.00
	975.00
50% of remainder exempt	- 487.50
	$ 487.50

Referrals for abstracts for **quarters prior to and including the abstract for the third quarter of 2002 (July 2002 through September 2002)** that meet the following criteria are to be processed using the procedures outlined in this Administrative Directive, Section III., B.5, below:

- only one **(1) employer;**

- the earnings, when averaged over the quarter, result in an overpayment of **$500 or less per month**.

III.   PROCEDURES

A.   INTAKE WFI

1.   The Intake WFI shall review LEADER IEVS fraud referrals to determine the following:

a.   The EW selected the appropriate aid program(s) in the "Evidence of Fraud Exists On" field on the second screen in the Fraud/Early Fraud Referral screen.

-    If the EW failed to complete this field, the Intake WFI is to enter this information after reviewing the remaining Fraud Referral screens.

III. **PROCEDURES (Continued)**

      b.   The Individual Inquiry process on the Suspect Tab was completed by the EW.

      c.   The EW selected a reason for the referral on the Reasons Tab; **or** the Remarks Tab includes an allegation of welfare fraud.

2.   The Intake WFI will reject the referral in the following situations:

      a.   The Individual Inquiry process was not completed and it is not possible to determine the case number from existing information.

      c.   The EW did not complete either the Reasons or Remarks tabs on LEADER fraud referral screen and there is no allegation of welfare fraud.

      d.   The supporting documentation has not been received within 30 workdays.

3.   The Intake WFI rejects the referral as follows:

      a.   Checks "N" in the "Referral Accepted" section on Assessment tab on the LEADER [Fraud Suspect/Intake] screen, in the "To Be Completed by Fraud Investigator" field.

      b.   Notifies the EW via Future Action Control that the Fraud Referral was rejected and why. Advises the EW to initiate a new referral with the required information.

4.   If all screens are correct, Intake WFI shall:

      a.   Accept the referral on the Assessment tab, "To Be Completed by Fraud Investigator" field.

      b.   Assign the Referral using existing procedures for assigning referrals.

B.   **WELFARE FRAUD INVESTIGATOR (WFI)**

The WFI shall:

1.   Follow existing procedures for receiving a Central Fraud Folder (CFF) containing an IEVS fraud referral.

2.   Review the LEADER case record to determine if the referral meets the criteria outlined in **II. Policy, A.**

      a.   If referral meets criteria, process referral per existing procedures.

3.   If the CFF does not contain required paper documentation, control for the receipt of the required paper documentation within 20 calendar days of date referral was assigned to WFI.

a.   If the required paper documentation is not received within 20 calendar days of the date the referral was assigned to the WFI, and the referral does not meet the criteria in **II. Policy, A.** above, the WFI shall close the investigation as an administrative closing **with the following exception**:

1)   If LEADER Benefit Recovery indicates that a Household/ Participant (HH/P) error was established on LEADER Benefit Recovery for the same period the WFI shall:

-    complete a WFP&I 88, Request for Computation, requesting the computation unit establish a Potential Intentional Program Violation (PIPV) claim for the same period.

-    Close the investigation following existing procedures for an investigation not referred to the District Attorney for prosecution consideration.

4.   The WFI shall process a referral on a case that does not meet the criteria in **II. Policy, A., and** the supporting documentation has not been received within 20 calendar days and an **HH/P** claim was not established as follows:

a.   Document on the PA 334, Record of Investigative Activity, in the Central Fraud Folder (CFF) that the investigation was closed due to an inappropriate referral.

NOTE: It is not necessary to initiate any requests for the case record or for CA/CW 7s for these types of referrals.

b.   Close the investigation on LEADER, No Fraud-Agency Error (MAPPER code C1 Agency Error).

c.   For open cases **only** initiate a LEADER Future Action Control, User Control Request:

-    advising the EW to reevaluate the information for a possible administrative (non-fraud) overpayment; or

-    advising the EW that the referral was rejected and why.

5.   For a referral that **meets** the criteria listed in **II. Policy, B., (one employer and earnings of $1500 or less ($1800 for GR),** the WFI shall:

III. PROCEDURES (Continued)

    a.   Submit one (1) request for the CA/CW 7 for each of the months listed on the abstract for the reported quarter.

    b.   Initiate a request to FKI for the case record.

    c.   Initiate a PA 453/454 (Verification of Employment/Earnings) to the employer.

    NOTE: If a completed PA 2419 or other request for employment information was included with the referral, it is not necessary to send a second request to the employer.

    d.   Take the following steps as appropriate:

- Close the investigation on LEADER, Administrative (MAPPER code G1, Administrative Disposition), if all of the information necessary to substantiate the allegation has not been received after 20 calendar days (1month).

- Consult with the Supervisor if any information or documentation has been received which indicates a potential fraud overpayment and/or overissuance.

    1)   Close the investigation on LEADER as Administrative (MAPPER code G1, if the Supervisor determines that the information does not warrant continued investigation.

    NOTE: The Supervisor shall annotate the determination on the PA 334 in the CFF.

    2)   Proceed with the investigation per existing procedures if the Supervisor determines that the information warrants a continued investigation.

6.   For open cases only initiate a LEADER User Action Control requesting that the district reevaluate the information for a possible administrative (non-fraud) overpayment if it is determined that the participant reported the employment in question.
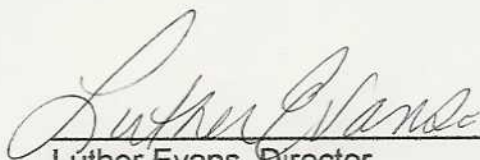
NOTE: The WFI/EW is to control for a response to the Future Action Control/ User Control Request and cost avoidance (savings) shall be included on the monthly report.

III. **PROCEDURES (Continued)**

    C.   **COMPUTATION UNIT**

        1.   Receive the WFP&I 88, Request for Computation from the WFI for a case with an exiting claim for a HH/P error.

        2.   Complete a PA 426, Overpayment Computation, for the same period.

        3.   Edit the existing HH/P claim to reflect a Potential Intention Program Violation (PIPV) error. (This is similar to putting on the "Fraud X" in the old "Repayment System").

Please direct questions concerning these procedures to your immediate supervisor.

Luther Evans

Luther Evans, Director
Welfare Fraud Prevention & Investigations Section

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Distribution: All WFP&I Investigative Staff